

EXECUTIVE SUMMARY

Appointment Process for a New Public Audit Committee Member

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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City Charter section 39.1 requires the City's Audit Committee to be comprised of two members of the City Council (one to serve as Chair of the Committee) and three public members with the "independence, experience and technical expertise necessary to carry out the duties of the Audit Committee". On January 11, 2011, the City Council reappointed Councilmember Faulconer (chair) and Councilmember DeMaio to serve on the Audit Committee for calendar year 2011.

On January 5, 2009, the City Council appointed public members Wade McKnight, Charles Sellers and Stephen Grant to serve on the Audit Committee for terms of two, three and four years respectively. Initial public member appointment terms were staggered so that not more than one term of office would expire in any one year. After the initial appointment terms, the City Charter provides that public members serve for terms of four years. Public members are limited to two full consecutive terms.

Wade McKnight's term expired on January 5, 2011. On March 1, 2011, the City Council will be asked to appoint a new public Audit Committee member for a four-year term retroactively beginning on January 5, 2011. This report reviews the process undertaken to solicit and review applications to serve as a public member of the Audit Committee. The report further describes the process the City Council will follow to appoint a new public member from a pool of two qualified candidates: Tom Hebrank and Dana White.

A comprehensive candidate solicitation and evaluation process has been underway since October 2010. In accordance with the City Charter, the Screening Committee has reviewed applications and recommended two candidates for consideration. At the City Council meeting on March 1, 2011, the Council will receive a brief presentation from each of the candidates and have an opportunity to ask any questions they may have prior to making an appointment decision.

If the City Council appoints a new public member on March 1, 2011, the new member will participate in the next scheduled Audit Committee meeting on March 7, 2011. Given the current Committee vacancy, the IBA recommends the City Council appoint one of these two candidates at the Council meeting on March 1, 2011.